

ECONOMIC DEVELOPMENT ADMINISTRATION



Fostering Involvement

Encouraging Innovation

Leveraging Investment

PROGRAMS GUIDE

*Bringing the Success of America's
Economy to all of America's Communities*





AGENCY MISSION

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3121 et seq.), to generate jobs, help retain existing jobs, and stimulate industrial, technological, and commercial growth in economically-distressed areas of the United States. EDA assistance is available to rural and urban areas of the nation experiencing high unemployment, low income, or other severe economic distress.



In fulfilling its mission, EDA is guided by the principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Based on these locally- and regionally-developed priorities, EDA works in partnership with state and local governments, regional economic development districts, public and private nonprofit organizations, and Indian tribes. EDA helps distressed communities identify and address problems associated with long-term economic distress, as well as sudden and severe economic dislocations including natural disasters, closure of military installations and other federal facilities, changing trade patterns, and the depletion of natural resources.



OUR STORY

The Economic Development Administration (EDA), an Agency of the United States Department of Commerce, provides financial assistance to help distressed communities overcome barriers that inhibit the growth of their local economies.

As the Nation enters the 21st century in the midst of unprecedented growth and prosperity, not all the country is sharing in this expansion. Large areas of the country lag behind economically, technologically, and in quality of life indicators. Throughout the Agency's 35-year history, EDA's primary mission has been to help lessen this gap.

EDA's recognition that economic development is an inherently local process has allowed the Agency to be innovative, flexible, and responsive to community needs despite changing national and local economies and a continually evolving development field. For over 35 years, EDA has demonstrated its ability to design and implement effective, innovative, and coordinated multi-faceted programs to help communities meet challenges of substantial and persistent economic deterioration as well as economic dislocations brought about by sudden and severe changes in local economic conditions.

In the sixties, EDA established a nation-wide network of locally-based regional economic development districts (EDD's). In the seventies, the network expanded to include support for University Centers, Native American communities, business incubators, Revolving Loan Funds, and Trade Adjustment Assistance Centers. By the eighties, EDA became heavily involved in defense adjustment due to congressional mandates for base realignment and closure (BRAC). And in the nineties, EDA's innovative work included long-term post-disaster recovery, eco-industrial development, Brownfield redevelopment, technology-led development, and the exploration of secondary markets as an additional source of economic development loan capital.

The Agency's broad range of tools allows it to complement and work in partnership with distressed communities. EDA's planning programs help communities develop comprehensive strategies for local economic development. The technical assistance program creates opportunities for the testing and refining of these strategies; while infrastructure, capital access, and trade adjustment programs provide a means to implement local strategies.

EDA promotes the strategic investment of resources for economic growth, sustainable development, and private sector partnerships. Ultimately, EDA investments 1) work to build local capacity; 2) enable state, local and economic development practitioners to better understand and address challenges and opportunities of an area's economy; and 3) provide a source of capital to help fund modern, innovative, and critical infrastructure and business finance projects that can help communities move forward.

EDA is dedicated to providing the leadership, expertise, and program tools that will enhance the economic opportunities for all citizens in America's distressed communities.

Chester J. Straub, Jr.
Acting Assistant Secretary for Economic Development



PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROGRAM

ECONOMIC ADJUSTMENT PROGRAM

RESEARCH AND NATIONAL TECHNICAL ASSISTANCE PROGRAM

PARTNERSHIP PLANNING FOR ECONOMIC DEVELOPMENT DISTRICTS, INDIAN TRIBES, AND OTHER ELIGIBLE AREAS

SHORT-TERM PLANNING TO STATES, SUB-STATE PLANNING REGIONS, AND URBAN AREAS

TECHNICAL ASSISTANCE PROGRAM (LOCAL)

UNIVERSITY CENTER PROGRAM

TRADE ADJUSTMENT ASSISTANCE PROGRAM

Program funding levels reflect yearly and supplemental appropriations, reimbursables, and other Federal agency transfers to EDA. EDA is committed to a policy of non-discrimination in the administration of all its programs.



PUBLIC WORKS AND ECONOMIC DEVELOPMENT PROGRAM

Program Goals

The Public Works Program empowers distressed communities in economic decline to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

In many cases, public works projects are used to upgrade or expand an area's economic infrastructure to support the next generation of industry or commerce. Whenever possible, this program seeks to redevelop existing facilities and industrial/commercial locations. EDA encourages such redevelopment projects because they promote sustainable economic development by taking advantage of readily available infrastructure and markets.



Project Focus

The Public Works and Economic Development Program supports locally-developed projects that encourage long-term economic self-sufficiency and global competitiveness. Examples of past infrastructure investments include water and sewer facilities, industrial access roads, rail spurs, port improvements, skill-training facilities, technology-related infrastructure, as well as the demolition, renovation, and construction of publicly-owned facilities.

These investments support a variety of specific economic development strategies including technology-led development, business incubators, natural disaster mitigation, cluster-based development, aquaculture facilities, diversification of natural resource dependant economies, distance learning facilities, export programs, commercialization and deployment of innovative technologies, redevelopment of Brownfields sites, and business/industrial development.

Funding Level: ★FY 98 \$177,905,000 ★FY 99 \$205,748,000 ★FY 00 \$204,521,000
FY 99 Average Grant: \$829,000



ECONOMIC ADJUSTMENT PROGRAM

Program Goals

Economic change may occur suddenly or over time, and generally results from industrial or corporate restructuring, natural disaster, reduction in defense expenditures, depletion of natural resources, or new Federal laws or requirements.



The Economic Adjustment Program assists state and local interests design and implement strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base.

The Economic Adjustment Program receives annual appropriations for its Regular Economic Adjustment Programs and Defense Adjustment activities. In addition, the Program receives special appropriations to assist communities with economic recovery from specific industry and/or natural disasters.

Project Focus

The Economic Adjustment Program predominantly supports three types of grant activities: strategic planning, project implementation, and revolving loan funds. Strategy grants help organize and carry out a planning process resulting in a Comprehensive Economic Development Strategy (CEDS) tailored to the community's specific economic problems and opportunities. Implementation grants support one or more activities identified in an EDA-approved CEDS. Activities may include, but are not limited to, the creation/expansion of strategically targeted business development and financing programs such as, construction of infrastructure improvements, organizational development and market or industry research and analysis. Revolving Loan Fund (RLF) grants may also be used to implement a CEDS. These grants capitalize a locally administered fund and are used for making loans to local businesses, which in turn, create jobs and leverage other private investment while helping a community to diversify and stabilize its economy.



Economic Adjustment Funding Level: ★FY 98 \$29,654,000 ★FY 99 \$34,629,000 ★FY 00 \$34,629,000
Defense Adjustment Funding Level: ★FY 98 \$89,000,000 ★FY 99 \$84,800,000 ★FY 00 \$77,300,000
FY 99 Average Grant: \$175,000 (Regular); \$1,266,000 (Defense)



RESEARCH AND NATIONAL TECHNICAL ASSISTANCE PROGRAM

Program Goals

The Research and Technical Assistance Program aims to: develop a comprehensive base of information about economic development issues; disseminate information to local, state, and national economic development practitioners; and measure the performance of economic development programs.



Project Focus

Information dissemination grants make critical information about economic development programs, projects and emerging issues available to practitioners through different means, such as targeted newsletters, web sites, and conferences. Research grants examine in depth important existing and emerging issues in economic development, and document the results for practitioners and policy makers. Evaluation grants systematically assess the economic impact of funding under EDA's programs to measure each program's effectiveness, and to make recommendations for improving the program.

Eligible applicants include nonprofit organizations, institutions of higher learning, for-profit entities, and private individuals. Research and National Technical Assistance funds may not be used to start or expand a private business.

★ SPECIAL NOTE ON RESEARCH AND NATIONAL ★ TECHNICAL ASSISTANCE APPLICATIONS

Generally, EDA announces the scope of work of each project to be funded through a Notice in the *Federal Register* and requests proposals of no more than 10 pages. The Notice also sets forth the proposal and application process, deadlines, and funding information.

National TA Funding Level: ★FY 98 \$1,294,000 ★FY 99 \$1,409,000 ★FY 00 \$1,101,000

Research Funding Level: ★FY 98 \$500,000 ★FY 99 \$500,000 ★FY 00 \$500,000

FY 99 Average Grant: \$42,000 (Research); \$108,000 (National TA)



PARTNERSHIP PLANNING GRANTS FOR ECONOMIC DEVELOPMENT DISTRICTS, INDIAN TRIBES, & OTHER ELIGIBLE AREAS

Program Goals

Ongoing planning grant assistance provides support for the formulation and implementation of local economic development programs as well as strategies designed to create and retain permanent jobs and increase income for the unemployed and underemployed in areas of economic distress. Grants are intended to enhance economic development planning capability, support the formulation of development policies, and assist in building local institutional capacity.

Project Focus



Planning grants are awarded to establish and implement effective economic development programs at local and regional levels. Eligible activities under this program include the preparation and maintenance of a Comprehensive Economic Development Strategy (CEDS) process; implementation of the elements of the strategy; and the provision of planning and technical assistance services to communities and local governments within the organization's jurisdiction.

The Partnership Planning Program provides funding to help EDA partners develop a local comprehensive planning participatory process leading to the formulation and implementation of economic development strategies. Long-term support is provided to EDA partners such as economic development districts (EDDs), Indian tribes, and organizations representing other eligible economically distressed areas that maintain a CEDS process. Grants are normally awarded on an annual basis and priority consideration is given to currently funded grantees with satisfactory performance.

Funding Level: ★FY 98 \$20,347,000 ★FY 99 \$20,373,000 ★FY 00 \$20,400,000
FY 99 Average Grant: \$54,000 (EDDs); \$42,000 (Indian)



SHORT TERM PLANNING GRANTS TO STATES, SUB-STATE PLANNING REGIONS, AND URBAN AREAS

Program Goals

Planning grants provide support for significant new economic development planning, policymaking and implementation efforts, and to establish comprehensive economic development planning processes cooperatively with the state, the state political subdivisions, and economic development districts.

Project Focus

Planning grants assist economic development planning and implementation activities such as economic analysis, definition of economic development goals, determination of project opportunities, and the formulation and implementation of development programs that include systematic efforts to generate employment opportunities, reduce unemployment, and increase incomes.



Eligible activities include the preparation and maintenance of a continuous comprehensive economic development planning process, coordination of multi-jurisdictional planning efforts, development of institutional capacity, diversification of the local economic base and implementation of programs, projects and procedures designed to create and retain permanent jobs and increase incomes.

States receiving assistance are required to maintain a Comprehensive Economic Development Strategy (CEDS) which has been developed in cooperation with the political subdivisions and the economic development districts of the state. EDA assistance for overall state economic development planning promotes comprehensive economic development, fosters effective transportation systems, enhances and protects the environment, and encourages development through sound management resources and sustainable development practices. EDA assistance is limited to 12 months and may be extended up to 36 months.

Funding Level: ★FY 98 \$3,677,000 ★FY 99 \$3,507,000 ★FY 00 \$3,600,000
FY 99 Average Grant: \$61,000



Technical Assistance Program (Local)

Program Goals

The Technical Assistance Program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.

Project Focus

Resources for economic development projects are especially scarce in distressed areas. Without complete information, local public sector and nonprofit officials face difficult challenges in allocating those limited resources. Grants under the Local Technical Assistance program often support feasibility studies on potential economic development projects, such as industrial parks or business incubators, that communities are considering. These feasibility studies, which analyze the various economic, financial, and social aspects of the proposed projects, provide local leaders with a thorough basis for making informed economic development decisions.

The strength of the Local Technical Assistance program is its flexibility to support a variety of activities that address local economic development needs. Some communities and regional organizations, for example, have used Local Technical Assistance grants to develop revitalization plans, to prepare tourism development strategies, to sponsor economic development conferences or seminars, and to establish geographic information systems for local planning and development purposes.



Funding Level: ★FY 98 \$1,596,000 ★FY 99 \$2,075,000 ★FY 00 \$1,500,000
FY 99 Average Grant: \$28,000



UNIVERSITY CENTER PROGRAM

Program Goals

The University Center Program is a Federal/academic partnership that makes resources at institutions of higher education available to the economic development community.

Project Focus

Institutions of higher education have a variety of resources including faculty, staff, students, laboratories, and computer systems. EDA's University Center program helps institutions of higher education in establishing and operating outreach programs that use those resources to provide technical assistance on economic development projects and programs. EDA considers the University Centers long-term partners in fostering local economic development.



University Centers generally work with units of local government and nonprofit organizations. Frequently, a Center will work to complete a preliminary feasibility study of an economic development project a nonprofit organization is considering, analyze socio-economic data to help a community project future demand for infrastructure expansions, or conduct a specialized workshop or seminar, such as strategic planning.

Some University Centers target their efforts on technology transfer assistance to small and medium sized firms. For example, a Center may help a firm to redesign a product to meet a specific standard, to identify energy savings improvements, or to solve a technical or engineering problem in a manufacturing process.

University Centers are evaluated at least once every three years with peer reviewer participation. Priority consideration for funding is given to institutions already participating in the program that demonstrate satisfactory performance.

Funding Level: ★FY 98 \$6,541,000 ★FY 99 \$6,365,000 ★FY 00 \$6,499,000
FY 99 Average Grant: \$92,000



TRADE ADJUSTMENT ASSISTANCE PROGRAM

Program Goals

EDA uses a national network of 12 Trade Adjustment Assistance Centers to help manufacturers and producers injured by increased imports prepare and implement strategies to guide their economic recovery. The Trade Adjustment Assistance program is authorized by the Trade Act of 1974, as amended.

Project Focus

Trade Adjustment Assistance Centers (TAACs) aid affected firms in completing and submitting a petition to EDA for certification of eligibility and ultimately, to apply for assistance under the program. Once the petition is approved, the TAAC helps the firm in preparing an adjustment proposal. This document includes an objective analysis of the firm's strengths, weaknesses, threats, and opportunities and serves as a recovery plan for the firm. After EDA approves the adjustment plan, the firm can receive cost-share assistance from the TAAC typically, from a private sector consultant. EDA funding normally pays 50% or \$75,000, whichever is less, while the firm pays the remaining share. Types of technical assistance provided under the program include: market research; development of new marketing materials including e-commerce; identification of technology, computer systems, and software to meet specific needs of the firm; and completion of a quality assurance program such as ISO-9000.



The Trade Act also authorizes technical assistance for industry-wide projects, where an entire industry has been injured by increased imports. Eligible applicants for industry-wide projects include trade associations, unions, and other appropriate organizations with an understanding of the industry and its problems. (Because of limited program resources, industry-wide projects have not been supported in recent years.)

Funding Level: ★FY 98 \$9,500,000 ★FY 99 \$9,500,000 ★FY 00 \$10,500,000
FY 99 Average Grant: \$791,000



APPLICATION PROCESS

Eligible Applicants

Eligible applicants include economic development districts; states, cities or other political subdivisions of a state or a consortium of political subdivisions; Indian tribes or a consortium of Indian Tribes, an institution of higher learning or a consortium of such institutions; or a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

★ ★ ★ ★ HOW TO GET STARTED ★ ★ ★ ★

Interested applicants are encouraged to contact the appropriate EDA Regional Office or Economic Development Representative to discuss the proposal and obtain additional EDA program information, application instructions and forms. See the back page of this booklet to locate your EDA Regional Office and begin the application process. EDA regulations and other information are available on the EDA website: www.doc.gov/eda

Selection Criteria

All EDA projects are evaluated competitively and must meet both general criteria applicable to all programs as well as special criteria that may vary by program. These general and special selection criteria are explained in EDA's Regulations at 13 CFR Chapter 3 and in the Agency's annual Notice of Funds Availability published in the *Federal Register*.

Project Structure

Projects are located in an area exhibiting economic distress at the time of application. Projects located outside these areas may be considered if they directly benefit a distressed area. All Public Works and Economic Adjustment projects must be consistent with an EDA-approved Comprehensive Economic Development Strategy (CEDS). EDA usually funds 50% of project cost, however certain conditions of high economic distress or an applicant's inability to provide the matching share may permit a higher grant rate. Grant rate requirements may also be found in EDA's regulations at 13 CFR Chapter 3.



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